

## Message Text

MRN: 1977BERLIN007140 SEGMENT NUMBER: 000001 ERROR READING TEXT INDEX

FILE; TELEGRAM TEXT FOR THIS SEGMENT IS UNAVAILABLE

ADP207

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 IO-13 EB-08 CU-04 TRSE-00 ACDA-07 COME-00

OMB-01 /092 W

-----123984 070814Z /15

R 070703Z SEP 77

FM AMEMBASSY BERLIN

TO SECSTATE WASHDC 5548

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY PARIS

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8. I ALSO NOTED THAT THERE ARE SOME UNRESOLVED ISSUES BETWEEN US. THEY INCLUDE THE NEGOTIATION OF A CONSULAR CONVENTION AND THE CLAIMS MATTER. I HOPED WE COULD MAKE PROGRESS IN THESE AREAS IN THE MONTHS TO COME. AT THE SAME TIME, I DID NOT WISH TO BURDEN THE CHAIRMAN WITH THE DETAILS OF THOSE ISSUES. WE HAVE MADE PROPOSALS, AND WOULD OF COURSE CONSIDER ANY SUGGESTIONS THE GDR MIGHT HAVE ON THESE AND OTHER BILATERAL ISSUES.

9. STOPH NOTED IT WOULD BE VERY USEFUL TO HAVE TALKS GET UNDERWAY. WE CERTAINLY COULD NOT SOLVE SOME OF THE ISSUES AT THIS TABLE TODAY; BUT IT WOULD BE GOOD TO GET TALKS GOING AT THE APPROPRIATE LEVELS. IN ADDITION, HE SUGGESTED THAT IT WAS GOOD TO EXCHANGE IDEAS. SUCH AN EXCHANGE COULD PROVIDE AN IMPETUS FOR MOVEMENT IN OUR RELATIONS. I SAID I APPRECIATED HIS COMMENTS AND WONDERED IF HE WOULD BE PREPARED TO PROVIDE SOME SPECIFIC IDEAS WE COULD CONSIDER

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FOR MOVING AHEAD.

10. STOPH SAID THERE WERE MANY THINGS THAT COULD BE DONE. SOME OF THESE TRANSCEND THE SCOPE OF TODAY'S CONVERSATION.

MANY ARE CONTAINED IN THE GDR'S MAY 12 AIDE MEMOIRE. HOWEVER, SINCE WE HAD TALKED ABOUT LEIPZIG, HE THOUGHT WE COULD TAKE ECONOMIC AFFAIRS AS AN EXAMPLE. IN HIS VIEW, TRADE RELATIONS COULD BE CONTINUED AND DEVELOPED THROUGH MEANS OF VISITS, EXCHANGES, AND DISCUSSIONS BY COMPETENT OFFICIALS. THE DIFFERENCES IN OUR TWO SOCIAL SYSTEMS SHOULD NOT BE AN OBSTACLE TO THE DEVELOPMENT OF TRADE, WHICH IS CALLED FOR BY THE HELSINKI FINAL ACT. STOPH ALLUDED TO UNSPECIFIED PREVIOUS VISITS AND DISCUSSIONS HE HAD HAD WITH PROMINENT US BUSINESSMEN. HE SAID THE LEIPZIG FAIR COULD CONTRIBUTE TO SUCH DISCUSSIONS, AND IT WAS GOOD FOR DEVELOPING NEW CONTACTS.

11. AT THE SAME TIME, HE SAID WE SHOULD PONDER WHY TRADE HAS NOT DEVELOPED MORE SMOOTHLY. WE SHOULD MAKE EVERY EFFORT TO GET THE SAND OUT OF THE GEARS. BOTH SIDES ARE INTERESTED IN DOING SO. GOOD PROSPECTS EXIST, BUT WE MUST LOOK AHEAD. INTERNATIONAL DEVELOPMENTS CONFIRM THAT INTERNATIONAL TRADE CAN BRING GOOD RESULTS. WE SHOULD SEEK THEREFORE TO DEVELOP THE LONG-TERM BASIS FOR SUCH A TRADE

RELATIONSHIP. THE LONG-TERM VIEW WILL FACILITATE TAKING FULL ADVANTAGE OF ALL PROPOSALS.

12. IN STOPH'S VIEW, US BUSINESS CIRCLES ARE OF THE SAME OPINION. HE HAD HAD THE OPPORTUNITY TO TALK WITH LEADERS OF US CORPORATIONS AND BANKS. THERE WAS AGREEMENT THAT IT SHOULD BE POSSIBLE TO FIND WAYS TO REDUCE THE OBSTACLES WHICH HAMPER EFFORTS TO DEVELOP TRADE. COUNCIL OF STATE  
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CHAIRMAN HONECKER HAD NOTED SEVERAL TIMES THAT BOTH THE GDR AND THE US BUSINESSMEN WANT TO DEVELOP TRADE. THIS WAS ALSO THE PRIMARY OBJECTIVE OF STATE SECRETARY BEIL'S RECENT VISIT TO THE UNITED STATES.

13. I NOTED THAT CHAIRMAN STOPH HAD IDENTIFIED AN AREA WHERE WE HAVE COMMON INTERESTS. MORE CAN AND SHOULD BE DONE IN THE AREA OF COMMERCIAL AND ECONOMIC COOPERATION. I ACKNOWLEDGED THAT THERE ARE SOME BARRIERS WHICH MAY REPRESENT SOME DISADVANTAGE AT THE MOMENT TO THE GDR. I SAW NO NEED TO GO INTO DETAILS; THEY ARE KNOWN TO STATE SECRETARY BEIL, WHO IS INDEED A DYNAMIC REPRESENTATIVE OF THE GDR. IN MY VIEW, THERE IS MUCH MORE THAT CAN BE DONE TO PROMOTE TRADE WITHIN THE EXISTING LEGISLATION AND PROCEDURES. I WAS NOT CONVINCED THAT THESE BARRIERS ARE INSURMOUNTABLE. FOR EXAMPLE, US COMPANIES ARE PLANNING SOME INVESTMENT PROJECTS IN THE GDR. TO BE SPECIFIC, ONE COMPANY IS THINKING OF MANUFACTURING POTASH HERE AND EXPORTING IT TO THE UNITED STATES. NO TARIFF PROBLEMS ARE INVOLVED. ANOTHER EXAMPLE IS THE GDR'S FIFTY YEARS OF

EXPERIENCE IN COAL GASIFICATION. THIS IS ANOTHER AREA IN WHICH WE CAN COOPERATE TO OUR MUTUAL BENEFIT.

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14. I SAID US COMPANIES VALUE CONTACT AND LIKE DOING BUSINESS WITH THE GDR. THE GDR MEETS ITS OBLIGATIONS. US COMPANIES HAVE CONFIDENCE IN THE GDR; THAT IS EXTREMELY IMPORTANT. I MENTIONED THE US-GDR TRADE AND ECONOMIC COUNCILS, WHICH OFFER A FRAMEWORK FOR EXPANSION OF CONTACTS AND OF TRADE BETWEEN OUR TWO COUNTRIES. AT THE SAME TIME, ON THE OFFICIAL LEVEL THE US GOVERNMENT IS DOING FORWARD PLANNING FOR TRADE PROMOTION EVENTS. ONE EXAMPLE IS THE ENERGY SYSTEMS TECHNICAL SALES SEMINAR WE PLAN TO HOLD IN DECEMBER OF THIS YEAR IN THE GDR. WE ARE PLANNING A CHEMICAL INDUSTRIES EQUIPMENT AND TECHNOLOGY EXHIBITION FOR THE SPRING 1978 LEIPZIG FAIR. LATER, IN MAY, WE HOPE TO HAVE AN INDUSTRIAL PROCESSING INSTRUMENTATION TECHNOLOGY SALES SEMINAR. WE WILL ALSO BE REPRESENTED AT THE 1978 LEIPZIG FALL FAIR. THESE ARE EXAMPLES OF WHAT THE US GOVERNMENT IS PLANNING.

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15. WE ARE ALSO AWARE THAT THE GDR PLANS TO HAVE TECHNICAL DAYS IN THE UNITED STATES. I WANTED TO ASSURE THE CHAIRMAN THE DEPARTMENT OF COMMERCE WILL DO EVERYTHING POSSIBLE TO ASSIST THE GDR IN THESE ENDEAVORS TO PROMOTE SALES IN THE UNITED STATES. THE GDR COULD USE DEPARTMENT OF COMMERCE PUBLICATIONS TO PUBLICIZE TRADE OPPORTUNITIES. WE COULD ALSO DO MORE IN EXCHANGING INFORMATION WHICH WOULD CONTRIBUTE TO TRADE EXPANSION. THAT, IN MY VIEW, IS THE OVERALL FRAMEWORK IN WHICH OUR TRADE RELATIONS COULD DEVELOP. IT IS DESIRABLE TO TRY TO PLAN AHEAD ON A LONG-TERM BASIS. AT THE SAME TIME, WE DO HAVE DIFFERENT SYSTEMS; THERE IS A LIMIT TO WHAT CAN BE DONE BY THE US GOVERNMENT. IN THE FINAL ANALYSIS, WHILE THE US GOVERNMENT WILL SEEK TO FACILITATE THE DEVELOPMENT OF TRADE, IT IS UP TO THE GDR TO WORK WITH PRIVATE US FIRMS TO DO SO.

16. STOPH SAID I HAD ENUMERATED A NUMBER OF ACTIVITIES TO DEVELOP TRADE. WITH RESPECT TO THE MEANING OF THE WORD "BARRIERS", THEY COULD BE HIGH OR LOW, BUT IN ANY EVENT THEY SHOULD BE REMOVED. ONE COULD ALSO SPEAK OF RED LIGHTS AND GREEN LIGHTS, AND IT WOULD BE BETTER OF COURSE TO SWITCH TO A GREEN LIGHT. HE IS OPTIMISTIC. THE GDR IS INTERESTED IN MUTUALLY BALANCED TRADE, EVEN IF ONE COULD NOT BALANCE IT DOWN TO THE LAST DOLLAR. IN GENERAL, EXPORTS AND IMPORTS FROM BOTH SIDES SHOULD BE INCREASED. AMERICAN IMPORTERS ARE INTERESTED IN GDR PRODUCTS. HE WAS INFORMED, AT THE LEIPZIG FAIR FOR EXAMPLE, THAT US IMPORTERS ARE HAPPY WITH GDR PRODUCTS. GDR SINGLE LENS REFLEX CAMERAS ARE A CASE IN POINT. IN HIS VIEW, THIS REPRESENTS A FIELD FOR EXPANSION. THERE HAS BEEN A CONSIDERABLE INCREASE IN THE ANNUAL GROWTH RATE IN GDR SALES OF SUCH CAMERAS. THEY ARE WELL ESTABLISHED ON THE US MARKET; THEY COULD BE SOLD IN LARGER QUANTITIES  
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IN COOPERATION WITH US BUSINESS FIRMS. THIS KIND OF TRADE IS NOT DIRECTED AGAINST ANY THIRD COUNTRY. IT IS FOR THE BENEFIT OF THE US AND THE GDR AND DOES NOT HARM ANYONE.

17. I SAID MORE COULD BE DONE IN REGARD TO TRADE PROMOTION BY THE GDR IN THE UNITED STATES. AMERICAN BUSINESS VALUES SERVICE. THEY VALUE THIS HIGHLY. I WAS PLEASED IN THIS CONNECTION TO NOTE THAT WE HAD APPROVED THE OPENING OF AN OFFICE FOR THE GDR MACHINE TOOL INDUSTRY IN THE UNITED STATES. WE WERE ALSO PREPARED TO CONSIDER GIVING APPROVAL TO THE OPENING OF OFFICES BY OTHER GDR FIRMS. IN MY VIEW THERE ARE MANY GDR MANUFACTURED GOODS WHICH COULD BE SOLD

IN THE UNITED STATES IRRESPECTIVE OF PRICE IF THEY ARE OF  
HIGH QUALITY.

18. STOPH SAID THAT THERE ARE MANY REASONS TO BE OPTIMISTIC  
ABOUT THE DEVELOPMENT OF US-GDR RELATIONS. HE IS CONVINCED  
THAT I, AS AMERICAN AMBASSADOR, CAN CONTRIBUTE THROUGH MY  
ACTIVITIES TO SUCH DEVELOPMENT. HE SAID I WOULD HAVE THE  
SUPPORT OF COMPETENT GDR OFFICIALS AND ORGANIZATIONS IN MY  
ENDEAVORS. I EXPRESSED MY APPRECIATION FOR HIS REMARKS,  
ADDING THAT I WOULD DO MY BEST, AND THAT IT WAS IMPORTANT  
NOW TO GET DOWN TO THE PRACTICAL ASPECTS OF DEVELOPING  
OUR COOPERATION. BOLEN

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## Message Attributes

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